

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
DEFINED CONTRIBUTION PLAN COMMITTEE MEETING

Captain Cook Hotel – Club Room II
939 West 5th Avenue
Anchorage, Alaska

October 4, 2017

ATTENDANCE

Committee Present: Bob Williams, *Chair*
Tom Brice
Rob Johnson
Acting Commissioner Leslie Ridle
Norman West

Committee Absent: None

Department of Revenue Staff Present:

Bob Mitchell (Chief Investment Officer)
Pamela Leary (Director, Treasury Division)
Zachary Hanna (Deputy Chief Investment Officer)
Shane Carson (State Investment Officer)
Stephanie Alexander (Board Liaison)

Department of Administration Staff Present:

Ajay Desai (Director, Division of Retirement & Benefits)
Kevin Worley (Chief Finance Officer, Division of Retirement & Benefits)
Kathy Lea (Chief Pension Officer, Div. of Ret. & Benefits) *by telephone*
Melanie Helmick (State Social Security Administrator)

Others Present:

Liz Davidsen (Alaska Director, Empower Retirement)
Paul Erlendson (Callan Associates, Inc.)
Paul Miranda (Alaska Professional Firefighters Association)
Tom Westcott (Alaska Professional Firefighters Association)

I. CALL TO ORDER

CHAIR BOB WILLIAMS called the meeting to order at 3:00 p.m.

II. ROLL CALL

All five Committee members was present at roll call to form a quorum.

III. PUBLIC MEETING NOTICE

MS. ALEXANDER verified that public meeting notice requirements had been met.

IV. A. APPROVAL OF AGENDA

MR. BRICE moved to approve the agenda. MR. JOHNSON seconded. The agenda was approved.

B. APPROVAL OF MINUTES – June 21, 2017

MR. BRICE moved to approve the minutes of the June 21, 2017 meeting. MR. JOHNSON seconded. The motion passed without objection.

V. PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS AND APPEARANCES

No one present at the meeting location or listening by telephone indicated they wished to speak.

VI. DCR PLAN CHANGE PROPOSAL AND UPDATES

KATHY LEA, Chief Pension Officer in the Division of Retirement and Benefits (DRB) in the Department of Administration, greeted the Committee by telephone. She stated that at the last committee meeting she presented plan design changes for the PERS (Public Employees' Retirement System) and TRS (Teachers' Retirement System) defined contribution plans that would help plan participants in their efforts to be retirement ready. The proposal was to separate the employer contributions for new entrants from the employee's personal investment account and put it into another type of investment that is controlled by the plan. This portion of the contributions would not be available to the participant until they reached normal retirement age.

MS. LEA reported that, since the last meeting, DRB checked with the tax counsel, Ice Miller, to determine if the State could withhold the employer contribution until a particular withdrawal point. Ice Miller has confirmed that that is allowed. They have also confirmed that the State can require a certain type of distribution of the employer's contributions, such as rolling over to another qualified plan, or some sort of annuity option, if one is available. In discussions in the interim, the Division has determined that it should probably allow non-vested employees to roll to another qualified plan at any age, after they terminate employment. Those employees who are vested should be allowed to take a targeted distribution option or to roll over to another qualified retirement account at the time of normal retirement.

MS. LEA stated that she met with Chief Investment Officer Bob Mitchell and the Treasury Division team about the distribution option recommendations. They discussed what the participant is looking for in a disbursement option that would provide more of a guaranteed income. They plan to meet again next month. The Treasury team is going to analyze the options previously looked at to see which ones meet the participant requirements. A report should be issued shortly after that.

MR. NORM WEST said he understood there would have to be legislative changes for the State to be able to offer some of the annuity like alternatives.

MS. LEA confirmed that any of the defined contribution (DCR) plan changes will require legislation because all of the disbursement options for the DCR plans are in statute. She went on to describe the process for preparing and submitting the draft legislation. She said the Division would have to have a solid plan together by the end of this month, in order to make this legislative session.

MR. WEST noted that one item is the annuity type retirement payout option, and the other item is employees not being able to withdraw the employer contributions before normal retirement age. He did not sense any resistance to offering the retirement payout options. He asked if the State could go ahead and present that option while it continued to explore the issue of withdrawing the employer contributions.

ACTING COMMISSIONER RIDLE stated that the more lead time the State gives the Governor's Office to consider proposed legislation, the better the chances are to actually get something introduced in the legislature.

MR. WEST moved that the Defined Contribution Plan Committee request that the Division of Retirement & Benefits pursue legislative permission necessary to offer the types of retirement payout alternatives that have been presented so that as soon the Committee makes a decision as to what those individual products can be they can be rolled out to the participants. MR. BRICE seconded for the purposes of discussion.

MR. MITCHELL mentioned that about a year ago the Committee heard presentations on more than one concept for DCR retirement payouts. One was a deferred annuity and another was an investment vehicle that would serve as a bridge between the retirement date and [incomplete]. He did not recall that an immediate annuity was discussed.

MR. WEST said he meant the two alternatives that Mr. Mitchell stated.

MR. BRICE asked if someone from Empower Retirement had some insight to share with the Committee.

LIZ DAVIDSEN of Empower Retirement stated that they had some options to bring to the table, which they have been discussing. She said the DCR participants are looking for some type of fixed option, especially for the new tier. Whatever is less restrictive is probably better.

MR. JOHNSON mentioned that the Committee should be clear whether the motion is expressing the will of the Committee or it could make a recommendation to the Alaska Retirement Management Board (ARMB).

MR. WEST stated that since DRB does not work for the Committee, all the Committee can do is recommend to them, whether it is at the committee level or at the board level. He suggested recommending at the committee level to get started.

When queried by the Chair, MS. LEA said that coming back in December with a recommendation was a good idea. That would give the Division additional time to examine the retirement payout options and find out what else they have to do in order to put them forward for legislation. The Division would then have a better idea of whether it could meet the legislative timelines.

ACTING COMMISSIONER RIDLE said she was worried that December was pretty late for the Governor's Office to introduce legislation. She added that a motion coming from the ARMB now would help the process.

MR. BRICE reworded the motion as a friendly amendment, as follows: Moved that the Defined Contribution Committee recommend to the Alaska Retirement Management Board to support the Administration's effort to pursue legislation that allows spend-out payment options for all defined contribution retirement plans. MR. WEST accepted the friendly amendment.

The roll was called, and Johnson, Brice, Ridle, West and Williams voted in the affirmative, making it unanimous.

MS. LEA reported that DRB currently has regulations in public notice until October 20 to put the State in compliance with the bona fide separation-of-employment rules by the Internal Revenue Service (IRS). The Division has done a strenuous education campaign with both employers and employees, and it will be doing an additional education with employers on October 11 by WebX to explain the provisions and how the bona fide separation regulations are going to work. These regulations will put the State in a safe harbor for the plans and will provide more protection for the retirees who rehire.

MS. LEA briefed the Committee on activities planned for National Retirement Security Week, October 15-21, to educate the employees on the need for saving more for their retirements and to get them more familiar with the Deferred Compensation Plan, as well as the Voluntary Savings Plans for the defined benefit plan employees.

MS. LEA stated that she would postpone presenting the statistics on DRB activity until December. As a quick preview, she said the counselors being unable to travel to communities has resulted in a significant decrease in the number of employees that the Division can reach. Due to budget cuts, the travel budget is half of what it normally has been for the last two years. On educational efforts, the new employee orientation for new State employees has been up for about a month. The political subdivision and the teachers versions should be online by the end of the month.

CHAIR WILLIAMS briefly discussed with Ms. Lea the interpretation of the IRS regulations as they relate to retired teachers doing substitute assignments. He informed her that he has received quite a bit of public feedback on this issue. MS. LEA stated that staff has worked with tax counsel to find out if there are any exceptions, particularly for geographic areas such as Alaska. Staff discovered that there are no exceptions. Any exceptions the plan itself would grant put the plan at risk for disqualification.

MR. JOHNSON requested that the Chair's comments be included in the record as the Division considered the regulations in this matter, as well as the comments made by Trustee Erchinger and Trustee Harbo at the Audit Committee meeting earlier today.

DRB Director AJAY DESAI assured him that the comments would be considered.

MS. LEA said the Division would be presenting all the comments received during the public notice period to the tax counsel to make sure that the Division is administering the IRS regulations correctly.

ACTING COMMISSIONER RIDLE stated that the Department of Administration totally understands what a hardship the new regulations will be for the State, the municipalities, and the school districts. DOA had a long conversation with the National Education Association (NEA) recently about what a hardship it will be. The Department is making every effort not to be overly aggressive. The initial prohibition for retirees to be rehired was for one year, and DOA pushed back and said that was unacceptable. They talked to NEA about contacting the legislators in Washington, D.C., because it is an IRS rule and not something the State wanted to do.

MR. JOHNSON asked if the IRS regulations were in a proposed state or in a final state. If the regulations are proposed, he wondered why the DOA was so aggressively pushing forward with the State regulations and not waiting until the federal regulations are finalized.

MS. LEA replied that the part of the regulations that the Division is promulgating that is proposed is the normal retirement age being set at age 62 for government plans. The IRS set the normal age for private sector plans around 2010-2011, but between then and now they have been taking comments and issuing private letter rulings on government plans. The proposal to set 62 as the normal retirement age is integral to the regulations the Division is writing for the break in service, because if a person is of normal retirement age they only need a 60-day break in service before they can re-employ in any capacity. If a person is under age 62, they have to wait six months to re-employ. The IRS has signaled that they will continue to issue private letter rulings and continue to enforce age 62, regardless of whether or not those regulations pass. The bona fide separation rules are already in existence. As the Division went through the vetting process for the normal retirement age changes is when they discovered that they needed to become more in compliance with the existing bona fide separation rules. The rules simply state that there has to be a bona fide separation and a total cessation of employment with the employer. But the IRS, in its regulations, states what the length of time will be. That is why the Division has been able to talk to tax counsel and get the 12 months reduced to six months. Most of the private letter rulings on this issue have stated that a 12-month break is considered a sufficient break to establish that there was a bona fide separation, but they have had some other private letter rulings that have accepted six months. They have issued positive determination letters for plans that do use six months. Tax counsel felt that six months was as low as the State could go.

CHAIR WILLIAMS commented that the notification letters have mentioned those who retire after December 1, 2017. He asked if there was a different set of rules for the people who retire before December 1.

MS. LEA responded that the existing plan rules in effect since 2005 require a 60-day break in service. Those rules will remain in effect until the new regulations are adopted, which is tentatively set for December 1. Depending on the comments received and how much research will be needed, that date might be extended to January 2018. The Division will not be looking back to anyone who has retired prior to December 1, tentatively right now.

CHAIR WILLIAMS mentioned that prior DRB statistics have shown very low numbers of people logging into the DRB web site to check their status, and that there seems to be a fairly high level of awareness among defined contribution plan members in terms of what assets they are building. He asked if there was any new data that showed a change in that.

MS. LEA said that Ms. Davidsen of Empower would have those statistics. However, her sense was that, as education of DCR employees continues, they are logging in to the web site more frequently.

MR. BRICE suggested that any changes to the rules for DCR member disbursements be run by the employee organizations to get their feedback.

VII. TRS AND SOCIAL SECURITY ENROLLMENT

MELANIE HELMICK, State Social Security Administrator in the Division of Retirement & Benefits, gave a slide presentation on the Teachers' Retirement System (TRS) and Social Security enrollment [*slides dated October 4, 2017 on file at the ARMB office*]. She gave the history of TRS and Social Security so the Committee could understand how TRS got where it is today. She explained the process of what it takes for a TRS member to be enrolled in Social Security today, and she provided some Social Security cost scenarios.

A federal requirement of having a Voluntary Social Security Agreement is to have a State Social Security Administrator to oversee implementation of the agreement. The Administrator is the liaison between the government entities, the Social Security Administration, and the IRS. The State holds the master voluntary agreement with the Social Security Administration. Political subdivisions may get voluntary social security coverage by modifying the State's master voluntary agreement. These are known as modifications. Agreements and modifications cover positions, not people, and Social Security is extended to groups of employees known as coverage groups. There are two types of coverage groups: absolute coverage groups, which are permanent groups of employees, like a city or a town; and retirement system coverage groups. The State has 189 modifications to its master agreement.

MS. HELMICK said that the original state voluntary agreements had mandatory exclusions. One of these exclusions was existing retirement systems. TRS was an existing retirement system, and the former City of Anchorage had an existing police/fire retirement system. The master voluntary agreement was signed in 1951, and TRS was not established until 1955. But there was a

territorial teachers' retirement system that started in 1945, and this system was later merged with the TRS of today. This is why teachers are originally out of voluntary Social Security. Four years later in 1955, the Social Security Administration decided to let the excluded retirement systems enroll in Social Security by holding a vote to do so. The University of Alaska (UAS) was, and still is, the only State TRS employer that held a vote. The vote was successful, and in 1958 UAS enrolled their TRS employees in Social Security.

By 1983, the Social Security Administration decided it did not want entities coming and going into Social Security, and a state or political subdivision could no longer dissolve a voluntary Social Security agreement. State of Alaska employees voted to withdraw from Social Security on December 31, 1979, as the Supplemental Benefit System (SBS) was promised to State employees January 1, 1980. University of Alaska TRS members voted to withdraw from Social Security effective December 31, 1981. While the State withdrew its employees from Social Security, the master voluntary agreement is still alive because it has live modifications to that agreement.

Effective July 2, 1981, the Social Security Administration took mandatory Social Security a little further and amended it so it became mandatory that state and local government employees be enrolled in Social Security. It applies to all state and local government employees who are not part of a qualified retirement system, such as TRS and PERS, and who are not covered by voluntary Social Security agreements.

There are two types of state and local employers for Social Security purposes. Voluntary employers have chosen to enroll their employees in Social Security. Mandatory employers enroll their employees in Social Security if they are not already covered by a qualified retirement system. TRS members are not able to enroll in mandatory Social Security coverage because they are in a qualified retirement system. But TRS members can enroll in voluntary Social Security – they simply have to vote to do so.

CHAIR WILLIAMS asked if the K-12 teachers fell into the same category as the University TRS.

MS. HELMICK said the two ways to have a vote are a statewide mandate vote or a vote by entity. The University held a vote by entity in 1958. No other school district or political subdivision with TRS employees in the state since 1955 has come to a state social security administrator and indicated they wanted to hold a vote for the TRS employees.

CHAIR WILLIAMS remarked that many people are not aware of the history of TRS and Social Security or even the possibility of holding a vote.

MR. BRICE expressed interest in learning more about the Anchorage police/fire retirement system exclusion.

MS. HELMICK next explained that TRS members must vote to get Social Security coverage. As the State Social Security Administrator, she would hold the official federal vote. There are two

voting options. All TRS members vote at once in a mandated statewide TRS vote, or TRS members could vote by entity. It would be the act of the Governor or the Legislature to mandate a TRS statewide vote for Social Security enrollment. A statewide TRS vote would impose Social Security on school districts that cannot afford it, and it would force Social Security enrollment for TRS members who do not want it. She did not see that as a viable option. The second option to hold a vote is by political subdivision or by employer. She would deem the TRS members of an individual employer a separate teachers' retirement system for the purposes of a Social Security vote only. She could not split the TRS vote by tiers or by any other means.

All members of that entity must vote, and MS. HELMICK went on to explain the governing body's choice, made by resolution, between two types of voting: a majority rules vote and a divided vote.

CHAIR WILLIAMS asked if the Governor or the Legislature could mandate a divided vote statewide. MS. HELMICK replied that she would have to research the original territorial documents for what was said about mandating a vote.

MS. HELMICK described what her tasks would be, once an entity governing board passes a resolution to have a vote and determines what kind of a vote to hold. At any time since 1955 an entity with TRS members could come to the State Social Security Administrator and ask to hold a vote. There is the potential for 57 entities to hold a TRS vote: 53 school districts and four other political subdivisions that have TRS employees. She estimated that a vote would take six months from start to finish before she could send a package off to the Social Security Administration.

MS. HELMICK stated that she performs the State Social Security Administrator duties in addition to her job as the Division auditor for PERS and TRS political subdivisions. While she is on-site doing PERS and TRS auditing, she is also reviewing that Social Security and Medicare withholding is being done correctly. She does Social Security outreach and education as she is able to, and has a standing offer to make presentations.

MS. HELMICK next reported on the projected cost estimates of Social Security coverage for several sample TRS employers around the state, assuming a favorable majority rules vote. It is based on the employee paying 6.2% of gross wages to Social Security and the employer paying 6.2%, for a total of 12.4%.

MR. BRICE asked who bears the cost of elections. MS. HELMICK said that by statute her Social Security position is funded by the political subdivisions.

MS. HELMICK stated that starting April, 1, 1986, it became mandatory for state and local employees to be enrolled in Medicare. TRS members are not eligible for SBS enrollment, but PERS members are eligible. SBS eligibility is based on employees who would be required to be covered under Social Security if the employer was a party to the State's master voluntary Social Security agreement. TRS members are excluded from this original master agreement.

MS. HELMICK said that to be enrolled in TRS a member must have a Department of Education certification, and that member must be in a position that requires certification. Those are two requirements that she audits for when she looks at eligibility. As of last week, there were 9,827 full-time TRS members actively reporting to DRB (Division of Retirement & Benefits). Fourteen of the school districts are mandatory Social Security employers. It is mandatory that they enroll their employees in Social Security, unless they are in a qualified retirement system. PERS and TRS are their qualified retirement systems. Employees not enrolled in PERS or TRS are enrolled in Social Security. Four of the school districts are SBS employers. These school districts have PERS and TRS, but they also have all of their employees enrolled in SBS, except for the TRS members because they are not eligible for SBS. There are 35 voluntary Social Security school districts. These entities have the modifications to the State's master agreement that covers Social Security for their employees forever, but not for the TRS members because the members have not voted to be in yet.

Looking at what other states are doing, MS. HELMICK said that twelve states have no teachers covered by Social Security, three states have some teachers covered, and in 35 states all teachers are covered.

Today, credits are the basic unit for determining Social Security eligibility. Employees enrolled in Social Security earn a credit for a certain amount of work. Employees can only earn four credits per year. In 2017, \$1,300 earns one credit. An employee needs 40 credits to receive Social Security benefits. Fewer credits are needed for Social Security survivor benefits and Social Security disability benefits. The age at which a person can collect Social Security is going up and depends upon the year a person was born. The fine print on a Social Security statement says that by 2034 the payroll taxes will be enough to pay only about 79% of scheduled benefits.

MS. HELMICK invited Committee members to email her with any questions.

There was a brief discussion about how the windfall elimination provision affects a person's Social Security benefits, and that it would not impact any TRS members who voted to join Social Security because they would be under an agreement.

MR. WEST commented that, as a person who contributed the maximum to Social Security for 40 years, he can attest to the fact that Social Security is not a retirement system comparable to a traditional retirement plan, and it has a substantial cost. If he were a teacher, he would really want to see how the Social Security benefits worked. His suspicion is that the average teacher in Alaska makes enough money that if they participated in Social Security they would not get the same Social Security benefit as they would if that money had gone into a normal state retirement plan.

CHAIR WILLIAMS observed that, once a covered person retires, they get a type of defined benefit in Social Security for the rest of their life.

MR. WEST said that the Social Security benefit is not guaranteed because it is always subject to appropriation. The benefit amount could go down, although it never has.

CHAIR WILLIAMS said Social Security also comes with some benefits for surviving children if there is an early death, which represents an insurance piece.

MS. HELMICK said there are also disability benefits, if a Social Security eligible person were to get hurt.

Regarding the costs, CHAIR WILLIAMS pointed out that if the Legislature or the Governor could mandate a statewide vote on Social Security, there could be a divided vote, and the employers would not necessarily incur the total costs that Ms. Helmick illustrated because not every TRS member would have chosen it. As positions turned over, however, eventually all the TRS people would be on Social Security, and the costs for the employer would ramp up. He believed that people who voted yes, while they would have some additional cost in having to pay the employee portion of 6.2% to Social Security, they could potentially add extra security if they are currently only on the defined contribution system.

ACTING COMMISSIONER RIDLE reminded everyone that the vote cannot be by tiers, so it would be the entire TRS membership voting, not just the defined contribution plan members.

MS. HELMICK agreed, saying that TRS members who are nearing retirement and who do not have any Social Security credits are not going to want to enroll in Social Security.

CHAIR WILLIAMS thanked Ms. Helmick for a very informative presentation.

VIII. RETIREMENT READINESS

LIZ DAVIDSEN, State Director of the Empower Retirement office in Anchorage, stated that the discussion at the last meeting was about employees having a target of around 70%-75% of their working salary in retirement. She and Ms. Lea have been looking at what is going on around the country to find out what retirement readiness really means. They have found that there is not a percentage they can assign to that because everybody's needs will be different when they are retired. Empower's initiative could best be called retirement readiness *awareness*.

MS. DAVIDSEN began a slide presentation entitled "Alaska Retirement Readiness" [*on file at the ARMB office*]. She said that the three members of the Empower team in Anchorage go all over the state to meet with people and review their retirement readiness free of charge. They assess where people are today on the path to replacing their income when they retire. The second step is what people can do if they want to make changes to the path they are on: retire later, change their deferral rate in a deferred compensation plan (or even start a deferred compensation plan), and asset allocation changes in their retirement account. Empower is trying to simplify the conversations with people and simplify their materials. Many people do not know where they are supposed to be, from an investment standpoint, nor do they want to, in many cases. The retirement readiness reviews also go into the spend-down strategies so that people's money can last as long as they need it to.

MS. DAVIDSEN displayed the Empower website that shows plan members how much they are earning, how much they are saving, and at what stage they are in having enough income in retirement. Empower also has a call center to reach out to participants throughout the state. Recently, an Empower certified financial planner and a team member from the Anchorage office went to Fairbanks and Juneau to cover appointments.

MS. DAVIDSEN stated that Empower has really worked on a partnership with DRB to have the DRB counselors and the Empower counselors work together. There is currently a 90-day free look at Empower's managed account service for plan participants. For the participants who are already enrolled in the managed account service, Empower does some personalization campaigns to make sure that it is working for them the way that it should.

CHAIR WILLIAMS asked if the managed account fees were competitive with other large investment plans.

MS. DAVIDSEN replied that, when she moved to Anchorage from the home office in Denver, she had the same question and found that, yes, the managed account fees are competitive. Because of the State's buying power, the plan participants are able to get the advisory services at a much better cost than they would on their own.

ACTING COMMISSIONER RIDLE asked, if Empower were not to be the next company when the contract goes out for RFP in the future, would participants in the managed account service be swept into the same investment service with another firm.

MS. DAVIDSEN stated that Empower has been the State's recordkeeper provider for about 30 years. At the last RFP, the State chose Empower. However, the managed account service utilizes the investments options that are in the State's menu for the retirement plans, and adjusts those investment options for each enrolled participant to create a glidepath based on their specific goals. Often, it does map over to whatever investment options are at the new company, and if another managed account option is chosen, it is decided at that time how it will work.

IX. POLITICAL SUBDIVISION ADDITION TO THE 457 PLAN (Deferred Comp)

MS. DAVIDSEN stated that Empower started communicating with the employers last fall at the DRB employer conference that the State's Deferred Compensation Plan was going to be opening up. DRB also included more information about it in the State's employer newsletter. The original open date had been July 1, 2017, and now it will be January 1, 2018.

MS. DAVIDSEN said that Empower put an employer packet together, which was included in the meeting packet. Empower will be conducting webinars to talk about the benefits and costs of the DC Plan. Marilyn Collister of Empower will be explaining the fiduciary duties and the logistics of the administrative responsibilities.

MR. BRICE asked if Empower expected the open date to be pushed back again.

MS. DAVIDSEN replied that she did not think so. She and the new operations person from Denver would be going to Juneau in a couple of weeks to finalize the operational logistics. Empower was moving forward with the January 1 date.

MR. BRICE remarked that many municipal employees are anxiously waiting for access to the Deferred Compensation Plan option.

Responding to the Chair, MS. DAVIDSEN said that any employee that participates in PERS or TRS will be eligible to enroll in the DC Plan. She added that this option is great for those employers that cannot afford this on their own. There is no cost for the employers.

X. CALLAN INVESTMENT STRUCTURE EVALUATION AND TARGET DATE SUITABILITY STUDY: STAFF RECOMMENDATIONS

Chief Investment Officer BOB MITCHELL and SHANE CARSON, Manager of External Public Equity and DC Investments, accompanied their presentation with a set of slides, dated October 2017, which is on file at the ARMB office.

MR. MITCHELL reminded everyone of a previous presentation on this topic in March that generated a lot of discussion. In early 2016, the Alaska Retirement Management Board (ARMB) directed staff to engage Callan Associates to review all the participant-directed investment options (defined contribution retirement plans, deferred compensation plan, and the supplemental benefit system). Staff contracted with Callan, which reviewed the plans and presented their final report to the ARMB in September 2016. The report contained a variety of recommendations, some investment-related and some not investment-related. He understood that the non-investment related recommendations have been addressed by the Department of Administration.

Treasury Division staff has reviewed the investment-related recommendations and has reached different conclusions than Callan in several cases. Staff was trying to make an assessment whether a recommendation would provide a net benefit to the plan participants. The metrics staff used were: popularity of an investment option if the recommendation was to remove the option or merge it into another option; and tenure of the option. For example, the Alaska Balanced Trusts are options that have been in place for decades and, in staff's view, it would be disruptive to change them. MR. MITCHELL recalled that Callan commented at a meeting that there is no right or wrong answer in these matters, and that staff's position seemed reasonable.

Staff developed a series of memoranda, some for information and some recommending action. These memos address all the Callan report investment-related recommendations. The information memos do not require action but were prepared to provide the Committee and the Board an opportunity if, collectively, the Committee or the Board wanted to move in a different direction than what staff has indicated.

MR. MITCHELL noted that a slide presentation was included in the committee packet (as well as the ARMB packet for this week's meeting) that is substantially similar to the presentation that the Committee saw at its March meeting. Staff's request is that their recommendations be passed along to the Board for consideration at the upcoming meeting. If the Committee were to alter any

of staff's recommendations, staff was very open to that and hoped that the Committee would forward the altered recommendation(s) to the Board for consideration as well. The purpose is to document that the Committee and the Board have been responsive to the report it requested from Callan.

CHAIR WILLIAMS commented that although the Committee did not take action at the March meeting, he gained a good understanding of where Callan was coming from with its recommendation and a strong understanding of where investment staff was coming from. He ended up siding with staff because some participants have been investing in a certain way for 10 or 20 years, and maybe there is an education piece to show them other options. But to force all of them to transition over and then experience a performance difference and feel they had had no choice, that could cause a lot of political problems.

MR. JOHNSON asked, hypothetically, if the Committee were to go with all of Callan's recommendations, if there were any that staff felt particularly strongly about and believed would be a bad move.

MR. MITCHELL replied that the recommendation to fold the balanced plan options into the target date fund options would potentially be disruptive for the population of participants that have opted into the balanced funds. Those are long-life programs that comprise 30-40% of all plan assets, and they were the default options for quite a while. It has been a successful program, in terms of performance, and it would be difficult to explain the rationale behind the change to the current participants. In addition, those balanced options provide a way to de-risk from a target date fund option, or to attenuate a risk, which is related to another one of the recommendations. He felt strongly about that recommendation. Regarding the other recommendations, people can come to different conclusions on the question of how many investment options are too many options or how many are not enough options, for example. He did not feel as aggressively about that as about the balanced fund options.

CHAIR WILLIAMS sought clarification that the staff was strongly opposed to the balanced funds-to-target-date-funds conversion because the balanced funds have a lot of participants and assets, and participants who have been very satisfied with the balanced options. Converting them all over to target date funds includes the chance of at least one of those target date funds not performing as well, and that could be a problem.

MR. MITCHELL stated that the returns of the target date funds will definitely be different. People know the balanced funds, which have been in existence for decades. They represent a population that is likely well into retirement in some cases, and he thought a change would be a big source of confusion. The target date fund options are available to the balanced fund participants if they voluntarily choose them. It might be inertia that keeps participants from doing that, or they might like the balanced funds and want to stay in them. He could not speak to how satisfied participants are with the balanced options, but historically the balanced fund options have performed quite well.

MR. WEST made the observation that the general notion that participants in defined contribution plans have had too many investment options has cropped up industry wide, and participants are not getting the performance that plan sponsors think they should get. Plans that used to offer their participants all kinds of information electronically have cut that way back. Participants are leaving their money in and following the default strategy and getting more results. What he has seen here is that the Alaska defined contribution plan participants are fairly well informed and comfortable. He thought the Callan recommendation was an effort to put the participants in a smaller box so they would have better long-term outcomes, and then offer the brokerage window route as an alternative for those people who have expertise. He did not see that what was being proposed and done in the industry had a great proven track record to it. It is just that plan sponsors do not think that defined contribution participants are necessarily getting what they could be getting out of their investment alternatives because they are reacting to markets when they should not do so. He felt that if the ARMB were to not adopt Callan's recommendations but not adopt the brokerage window recommendation, it would be sort of cutting that strategy in half or somehow dividing it. In his conversations with PERS and TRS members and what they know about their investments, they are completely blind. Those who would appear to be completely blind and are putting all their money in the default options are actually still quite knowledgeable and fairly happy with what they are doing. He agreed with staff's recommendations, because he did not think the ARMB could piecemeal everything, and to obtain the desired long-term objectives would mean doing almost everything that the Callan report suggested.

CHAIR WILLIAMS stated that if the Committee wanted to go with Callan's recommendation, they would need to make sure there was a lot of member outreach and information/education, and getting some feedback before such a mandatory conversion.

MR. BRICE said that he liked some of Callan's recommendations, and on other changes he leaned toward staff's recommendations.

CHAIR WILLIAMS said the Committee would take up the recommendations one at a time.

MR. MITCHELL said the first six memos were information memos.

Diversified Real Assets

Callan Recommendation: Combine the existing TIPS (Treasury Inflation Protected Securities) and REIT (Real Estate Investment Trust) options into a single multi-asset-class real asset fund.

Staff recommended the ARMB task staff with exploring product offerings and at a later date bring for consideration a multi-asset-class real asset investment option or a recommendation of no change to the existing lineup.

MR. MITCHELL said that staff's initial research on this subject led them to conclude that there is not a lot of conformity in terms of real options that are available in the marketplace. No two sets of options are the same. That makes the task of identifying a real strategy more difficult, but staff would like to canvas and bring back to the Committee some general options for what a multi-asset real strategy would look like. Before doing that, staff supported keeping the existing

TIPS and REIT strategies intact.

MR. BRICE asked what Callan thought was the attraction that made TIPS and REITs a comfortable marriage.

PAUL ERLENDSON, Senior Vice President with Callan Associates, Inc., responded that he totally agreed with Mr. Mitchell's comments, and the asset classes do not even look alike. TIPS are bonds, and REITs are equities. They are just names and do not tell you what is inside. Callan suggested combining them because the options are already there, Alaska has low fees on them, and it would be least disruptive going in this direction. Callan is totally square with staff's idea to take the time to think about finding a specific solution.

Responding further to MR. BRICE, MR. ERLENDSON said that theoretically the TIPS and REITs should have a low correlation because the goal is to have something that does well in an inflationary environment. Callan agrees that it is probably worth being more thoughtful, and as more product comes to market there will be more history to figure out the best way to do it.

MR. BRICE moved the staff recommendation. MR. WEST seconded.

On a roll call vote, all five Committee members voted yes.

Non-U.S. Equity

Callan Recommendation: Combine the passive international fund with the active counterpart into a single multi-manager offering.

MR. MITCHELL said staff's position is to make low-cost passive strategies available in as many options as possible to provide participants with low-cost access to the various asset classes. Combining the passive and active strategies would create a blended strategy that is higher cost than a passive-only strategy. For that reason, staff recommended maintaining the existing passive strategies (All Country World Equity ex-U.S. Index Fund and the multi-manager International Equity Fund).

MR. WEST moved that the Committee agree with staff's recommendation. MR. JOHNSON seconded.

The roll was called, and members Johnson, Ridle, West and Williams voted yes. Mr. Brice voted no. The motion passed, 4-1.

U.S. Large and All Cap Equity

Callan Recommendation: Map assets from the Russell 3000 Index Fund to the S&P 500 Index Fund.

MR. MITCHELL stated that the Russell 3000 Index includes domestic stocks that are large cap, mid cap, and small cap. The S&P 500 Index is large cap. He estimated that there is about 85% in common, in terms of market cap, between those two indices. If the merger were to occur, the

Russell 3000 Index Fund would go away, those assets would roll into the S&P 500 Index Fund, and participants would not have a low-cost option to invest passively in U.S. small cap stocks.

Staff recommended that the Russell 3000 Index Fund remain in the plans as a stand-alone option.

MR. JOHNSON moved to support staff's recommendation. MR. WEST seconded.

On a roll call vote, Johnson, Ridle, West and Williams voted yes. Mr. Brice voted no. The motion passed, 4-1.

Socially Responsible Fund

Callan Recommendation: Remove the socially responsible fund.

Staff recommends the Socially Responsible Investment Fund remain in the plans as a stand-alone option.

MR. MITCHELL said staff's rationale is that while the Socially Responsible Investment Fund is not a highly utilized option, the participants who use it feel very strongly about it. Removing this option would not give that subset of the population the opportunity to invest specifically in companies that are socially responsible.

ACTING COMMISSIONER RIDLE asked why Callan recommended to remove this fund.

MR. ERLENDSON said because Callan does not think that most people know what they are really getting with their money. The strategies are not well-developed in the socially responsible area. Callan thought the participants would be better off in the domestic equity strategy than in this strategy, given that this particular fund has not performed very well. However, some people want to make the commitment because they want to feel good, not knowing what it is they are feeling good about. That is the issue for Callan: if a person is going to make an investment of their retirement money, they should be knowledgeable about what they are staying away from and what they are investing in. They would be better off just maximizing the return on their money somewhere else.

CHAIR WILLIAMS asked if there was a baseline of assumptions one could make with a socially responsible fund that could not be assumed with everything else.

MR. ERLENDSON said there was not. There is a labeling function, but beyond that, it is hard to know exactly what a socially responsible fund will or will not do.

MR. JOHNSON commented that he thought he had read in literature on creating a set of investment choices for defined contribution plans that it was a best practice to offer this particular type of fund, notwithstanding that generally an investor did not make much money in it.

MR. ERLENDSON replied that he would not go so far as to say it is best practice, but it might be a more common practice. He went on to explain that Callan has metrics to measure. One of the oddities is that when looking at environmental metrics, oil companies score well, for various reasons about how those calculations are done. But somebody who is being environmentally friendly probably does not want to be buying into carbon-oriented businesses. That is part of the complexity. It is more about labeling than it is about what is actually going on. In Europe it is highly common to do these kinds of funds and has been for a while. It is growing within this country, but in terms of the specificity of what it means, being socially responsible does not really tell you anything unless you go under the hood and look.

ACTING COMMISSIONER RIDLE said an Alaska example of labeling is that Alaska salmon are not ranked as sustainable by a group of large sellers, like Walmart, because the salmon are not farmed, and, therefore, people should not eat it. Labeling does matter in some things.

MR. WEST asked if there were other funds in the socially responsible universe that Callan was more comfortable with.

MR. ERLENDSON responded that Callan is familiar with almost all of them. The question is how the ARMB wants to define socially responsible, then they start looking for a fund that matches the definition. Right now, Callan believes it is a vague notion. He agreed with Mr. Mitchell that some people do not care and they just want to feel good about what they are doing. If that was the standard for being trustees, he thought they would get in serious trouble from a fiduciary perspective because the level of knowledge trustees are supposed to have is higher. But the trustees are not directing the plan participants into this: the Board has a request to have a socially responsible option and has provided it, and people make their own decisions about their own money. Callan does not object to the ARMB leaving this option in place, but of all the options that are there, Callan thinks this is one of the more nebulous concepts out there. And the performance has not been particularly good.

MR. BRICE moved to accept Callan's recommendation [to remove the socially responsible investment fund and to make that recommendation to the Alaska Retirement Management Board]. MR. JOHNSON seconded.

The roll was called, and Johnson, Brice, Ridle, West and Williams voted yes.

MR. ERLENDSON suggested that it would be worthwhile to define what is meant by socially responsible; then there would be an option if the ARMB wanted to maintain it.

MR. WEST asked if Callan could oversee that. MR. ERLENDSON said absolutely.

MR. JOHNSON said that was the type of discussion that the ARMB ought to take up, that the committee is recommending removing the existing socially responsible fund, but the Board may give further direction on whether it should be a flat remove with no further action or whether there should be some further analysis on definition and so on. The committee's vote today impels some action on it at tomorrow's board meeting.

Treasury Director PAM LEARY stated that an organization of standards for these types of things is under development currently. She asked Mr. Erlendson if he wanted to talk about where the standards are in the process. There are a lot of pension funds that are lending their minds to the organization to set standards for definition.

MR. ERLENDSON responded that Callan has a couple of staff intensely engaged in that subject area and with that group. He explained the three categories that are being used – environmental, social, and governance issues – and the social part is the one that is the hardest to define. Many of the companies that an investment manager could buy might score well, but the people in the supply chain that manufacture the companies' goods are horrible (child labor, etc.). That is where a lot of gray area exists in socially responsible investing. Now that the topic is being more commonly discussed, people are getting beyond the headlines and into the nuances of what it all means. He said that Callan will work with staff to develop a definition so that people know what socially responsible means when they are investing.

MR. MITCHELL said it would be helpful to have a resolution that maps the participants in the socially responsible fund option to another option. These participants are U.S. equity investors, so he recommended that the committee consider, in the resolution language, an option to move those existing participants into either the Russell 3000 Index Fund or the S&P 500 Index Fund.

MR. WEST proposed talking to the full Board tomorrow and perhaps deciding to remove the socially responsible fund option at a future date and find a replacement, etcetera. The recommendation would not be for immediate action.

Self-Directed Brokerage

Callan Recommendation: Add a brokerage window.

Staff recommended not adding a self-directed brokerage window at this time.

MR. MITCHELL stated that staff's rationale was that brokerage windows are not heavily used. Studies have indicated that between 1% and 7% of participants in plans that offer a brokerage window actually use it. Another issue is that transaction costs tend to exist, and the fees in the investment options are higher than they are in the existing plan. Participants would experience higher fees as well.

MR. BRICE moved the staff recommendation not to add a self-directed brokerage window at this time. MR. JOHNSON seconded.

On a roll call vote, the motion passed 5-0 (Johnson, Brice, Ridle, West and Williams voting).

Target Date Fund Glide Path Risk

Callan Recommendation: Given the high predicted replacement ratios, along with the fact that there is some overlap between the SBS and PERS plan populations, the plans could explore

whether there is room to take less risk throughout the glide path and still reach successful outcomes with a reasonable degree of certainty.

Staff recommended the risk profile of the target date funds not be altered to take less risk throughout the glide path.

MR. MITCHELL explained that there is a series of five-year cohorts in the target date funds, but they all operate with the same glide path. Staff's position is not that changes should not be contemplated or actually made from time to time, but there should be a higher bar. Target date funds are the default option for plan participants. It is a complex system to begin with, and any tweaking can make the communications to participants particularly problematic. The existing glide paths have been tweaked over time, so it is not without precedent. If one compares the equity component of the Alaska target date fund glide path to others that are offered in the marketplace, generally speaking, Alaska's has a higher equity allocation early and then tilts down to actually have a lower equity component in retirement. T. Rowe Price, which has done the studies behind this, feels very comfortable with that glide path.

MR. MITCHELL stated that if a participant wanted to take less risk, there are other investment options available to them in the plan. Mentioning the earlier comment about TRS participants as an example, he said there are portions of the population that have a more difficult slog because in total there is less money being contributed to those retirement plans, so they are less likely to be successful. Callan's recommendation is not targeted at that population. What they are effectively saying is to have multiple target date glide paths, or what could be described as two parallel target date funds in the broader system. That could be a source of confusion.

MR. JOHNSON moved to accept staff's recommendation. MR. WEST seconded.

When MR. BRICE queried him, MR. ERLENDSON said Callan was not really suggesting there be two sets of glide paths. What Callan was getting at is that Alaska has a very good overall benefit plan for employees of the State. When they look at equity allocations, which is where the risk is, the target date fund glide paths are aggressive. Callan was not saying the glide paths are totally out in left field, but they tend to have a higher equity allocation, particularly in domestic equities. Callan was suggesting to revisit the glide path risk and determine if the amount of equity that remains in the funds as they get closer to retirement dates is the right amount, not to automatically change to a new glide path.

MR. MITCHELL agreed that Callan was not making a definitive recommendation, but he thought the language in Callan's report rose to the level of consideration. The recommendation specifically targeted the SBS and PERS recipients, and not all plan participants. He understood that meant that a subset of the total plan participants would be treated differently.

MR. JOHNSON asked if the ARMB should ask T. Rowe Price about this at their next report.

MR. MITCHELL replied that staff did ask them about their position. He thought T. Rowe Price would agree that PERS and SBS participants have a better chance at success than other

participants. Their response to staff has been that participants that are uncomfortable at the level of risk that they are taking have the ability to choose other investment options.

The motion passed unanimously on a roll call vote (Johnson, Brice, Ridle, West and Williams voting).

MR. MITCHELL indicated that concluded the information items, and next were a series of action items for the committee to consider. *[The memoranda for each of the information items and action items, all dated October 4, 2017, are on file at the ARMB office.]*

Asset Allocation Options

Callan Recommendation: Remove the balanced funds and map participants to the age-appropriate target date fund.

Staff recommended mapping participants in the SSgA Global Balanced Fund to the Alaska Long-Term Balanced Trust in the plans.

MR. MITCHELL stated that there are three balanced fund options in the plans. Staff recognized there is a potential to reduce the number of options that are made available without too much disruption. The Global Balanced Fund has only 2.1% of the total assets in the plans. Staff recommended that the participants in that fund option be rolled into the Alaska Long-Term Balanced Fund. The asset allocations for those two funds are very similar. The Long-Term Balanced Fund has about a 60% allocation to equities, as does the SSgA Global Balanced Fund. The two funds are also very similar from a risk perspective, and the outcomes are probably going to be similar.

MR. ERLENDSON said that Callan totally concurred with staff's assessment. The risk-adjusted returns in the long-term strategy are far superior to the global strategy, which introduces the whole idea of currency risk and the cost of hedging currency risk.

MR. MITCHELL noted that there are international equities in the Alaska Long-Term Balanced Fund as well, so both funds do have currency risk associated with them.

MR. ERLENDSON clarified that he meant by the fixed income exposure.

MR. WEST moved that the Defined Contribution Committee recommend to the ARMB to direct staff to map participants in the SSgA Global Balanced Fund to the Alaska Long-Term Balanced Trust in the plans. MR. BRICE seconded.

The roll was called, and the vote was all ayes. (Johnson, Brice, Ridle, West and Williams voted)

Capital Preservation

Callan Recommendation: Remove the money market options and proceed with stable value as the principal protection option.

Staff recommended combining and adding a stable value option in the Defined Contribution Retirement (DCR) plans and maintaining the US Treasury Money Market option across all plans. Staff recommended removing the Alaska Money Market Trust as a stand-alone investment option in the DCR plans and mapping participants into the U.S. Treasury Money Market option.

As background, MR. MITCHELL pointed out that the Treasury Money Market option is available to DCR plans, the Deferred Compensation Plan, and SBS. The other money market option, which includes instruments other than treasuries, is only offered to the DCR participants. The Interest Income Fund and the Stable Value Fund are effectively the same. One was started more recently. The decision at the time was to create a separate fund until it attained maturity of exposures. T. Rowe Price's position is that those two stable value funds are at a point where all the assets could be combined into one stable value option.

Callan's recommendation to remove the money market options and proceed with the stable value options would mean creating a stable value option for the DCR plans. Staff's position is that there should be a money market option available, as well as a stable value option, for those participants who value liquidity, transparency, and low risk. Stable value options have higher returns than money market options over time, but they are not transparent. For that reason, there is a place in the roster of investment options to include both a money market option and a stable value option.

MR. MITCHELL stated that staff's position is that two money market options are not needed. There have been recent changes in the post-financial crisis in how money market funds that are in treasury-only securities are treated versus money market options that do not have all government securities. Historically, money market funds do not lose principal. During the financial crisis, some money market funds actually went out of business after they "broke the buck," and there was stress on the sector. Federal legislative changes as a result of that require that if a fund is not a U.S. Treasury money market fund, they have to have the ability to break the buck. One could argue that these money market funds are riskier. Of the two funds currently offered, he would pick the U.S. Treasury Money Market option and drop the Alaska Money Market Master Trust, and that is staff's recommendation.

MR. BRICE asked if the management fees were a consideration, such that combining assets into one fund would save management fees and result in relatively the same amount of risk and reward.

MR. MITCHELL replied that the two stable value funds are both managed at T. Rowe Price, and the fee structures are going to be similar, probably as a function of the underlying investment building blocks. He thought the money market options had similar fees as well. The broader motivation is that four options can be collapsed into two options and be made available to all participants.

CHAIR WILLIAMS asked for Callan's view on the staff recommendations.

MR. ERLENDSON commented that it was splitting hairs again. He added that investment beliefs should be the cornerstone of how the ARMB puts a program together. Callan's view was simplicity: avoid things that are repeating options, which is why they recommended taking the balanced funds and putting them into target date funds (which effectively are actively managed balanced funds), and taking the two stable value funds and the two money market funds and turning them into one and calling it stable value. For the reasons that Mr. Mitchell explained, Callan was not going to get into a debate about it. He mentioned that T. Rowe Price was okay with this the last time he spoke with them. He wanted to point out, however, that going in and out of stable value requires an equity wash, meaning that participants will have to take equity risk.

MR. MITCHELL agreed, adding that a feature of the current stable value option is a participant cannot go directly from a money market option into a stable value option.

MR. JOHNSON moved to accept staff's recommendations [The Defined Contribution Committee recommends the ARMB direct staff to combine and add a stable value option in the Defined Contribution Retirement (DCR) plans and maintain the US Treasury Money Market option across all plans. Additionally, the Defined Contribution Committee recommends the ARMB direct staff to remove the Alaska Money Market Trust as a stand-alone investment option from the DCR plans and map participants into the U.S. Treasury Money Market option]. MR. WEST seconded.

The roll was called, and the motion passed, 4-1. (Johnson, Brice, Ridle and West voted yes, Williams voted no)

Fixed Income

Callan Recommendation: Consolidate the existing fixed income options into a custom multi-manager fixed income fund.

Staff recommended creating a stand-alone, passive fixed income investment option benchmarked to the Bloomberg Barclays U.S. Aggregate Bond Index and mapping the existing stand-alone fixed income options to it. Staff also recommended that the ARMB task staff with evaluating active, core-plus options for consideration at a later date.

MR. MITCHELL said there are five fixed income options currently, four in domestic and one in international. Collectively, they have about 5% of the total plan assets. He said that staff understood why Callan recommended consolidating the existing options into a custom multi-manager fixed income fund. Staff's primary motivation is about having a low-cost passive option available for all of the investment types. The question would be if a custom multi-manager fixed income fund would outperform. Looking at broad measures of active fixed income managers, they tend to outperform passive, they tend to cost more, and – depending on the strategy – they tend to outperform their fees. If the committee chose to accept Callan's recommendation, the result would be a higher-cost multi-manager option that had a decent prospect of outperforming a passive fixed income option over time.

MR. MITCHELL said staff believed there was merit in consolidating the five fixed income options, but particularly given that they are all passive now, that they be consolidated into one option benchmarked against the Aggregate Index, which is a passive index. Step two would be to evaluate an active strategy that staff could bring back to the committee at a future point.

MR. WEST asked if the consolidated fixed income fund would be managed in-house.

MR. MITCHELL responded that staff was not explicitly making that recommendation, but it was certainly possible that they could manage the consolidated fixed income fund in-house.

MR. JOHNSON asked if it was possible to have a consolidation and then subsequently re-divide back into five fixed income options.

MR. MITCHELL said he could not envision staff recommending that. There is benefit in collapsing the five strategies. They are all currently passive strategies, but, in general, one can expect fixed income strategies to outperform benchmarks net of fees.

MR. WEST moved to accept staff's recommendation [The Defined Contribution Committee recommends that the ARMB direct staff to create a stand-alone, passive fixed income investment option benchmarked to the Bloomberg Barclays U.S. Aggregate Bond Index and map the existing stand-alone fixed income options to it. Additionally, the Defined Contribution Committee recommends that the ARMB direct staff to evaluate active, core-plus options for consideration at a later date. MR. JOHNSON seconded.

On a roll call vote, the motion carried unanimously (Johnson, Brice, Ridle, West and Williams voted).

Glide Path and Implementation Review Periodicity

Callan Recommendation: On a periodic basis, revisit the glide path and implementation of the target date funds, given the plans' underlying demographics and plan design.

Staff recommended revisiting the glide path and implementation of the target date funds every five years, absent a triggering event.

MR. MITCHELL indicated this was the second recommendation related to target date funds. A new target date fund is established every five years. Staff recommended taking that opportunity to revisit the glide paths.

MR. BRICE moved that the Defined Contribution Committee recommend that the ARMB direct staff to revisit the glide path and implementation of the target date funds every five years, absent a triggering event. MR. JOHNSON seconded.

The roll was called, and the motion passed unanimously (Johnson, Brice, Ridle, West and Williams voted).

XI. OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE

There were none.

XII. PUBLIC/COMMITTEE MEMBER COMMENTS

MR. JOHNSON remarked that there was a lot to consider in this meeting, and he appreciated the fine work done in the presentations.

MS. ALEXANDER mentioned that the meeting calendar listed a December meeting “if necessary.” She asked if the Chair wished to meet on December 6.

CHAIR WILLIAMS said yes. He acknowledged that today was a three-hour meeting, with the addition of the Social Security presentation, but he found that information riveting.

XIII. ADJOURNMENT

The meeting adjourned at 5:52 p.m., on a motion made by MR. BRICE and seconded by MR. WEST.

Note: The summary minutes are prepared by an outside contractor, and the information is extracted from staff’s recording of the meeting. The digital recording and the documents reviewed and discussed are on file at the ARMB office.

Confidential Office Services
Karen Pearce Brown